

Message Text

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ACTION NEA-10

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IO-13 OMB-01 FPC-01 /116 W

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R 011440Z DEC 76

FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC 5525

INFO AMEMBASSY JIDDA

AMEMBASSY NOUAKCHOTT

AMEMBASSY PARIS

AMEMBASSY RABAT

AMEMBASSY TUNIS

CINCEUR

C O N F I D E N T I A L SECTION 1 OF 2 ALGIERS 2818

CINCEUR FOR POLAD

E.O. 11652: GDS

TAGS: PFOR, AG

SUBJECT: U.S.-ALGERIAN RELATIONS: DISCUSSION WITH HAMDANI

1. SUMMARY. IN RESPONSE TO AMBASSADOR'S OUTLINE OF STATE OF OUR RELATIONS, SENIOR ALGERIAN OFFICIAL DESCRIBES THEM AS HAVING IMPROVED TO "MEDIUM" AND FOCUSES ON SAHARA AS ISSUE DIVIDING US. END SUMMARY.

2. I CALLED ON DEPUTY SECRETARY GENERAL OF THE PRESIDENCY SMAIL HAMDANI ON MORNING NOVEMBER 30 TO DISCUSS STATE OF U.S.-ALGERIAN RELATIONS PRIOR MY DEPARTURE NEXT WEEK FOR U.S. ON CONSULTATION AND HOME LEAVE. I SAID MY OWN BRIEF REVIEW OF THOSE RELATIONS INDICATED THAT ECONOMIC RELATIONS WERE GENERALLY GOOD, ALTHOUGH THERE WERE PREDICTABLE IRRITANTS, AND THAT OUR POLITICAL RELATIONS HAD IMPROVED
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BUT THERE WERE STILL PROBLEMS.

3. WITH REGARD TO ECONOMIC RELATIONS I SAID IT HAD BEEN CLEAR FROM REMARKS OF PRESIDENT BOUMEDIENE AND MINISTER OF INDUSTRY AND ENERGY ABDESSELAM TO SENATOR STEVENSON AND CHAIRMAN DUNHAM OF FPC THAT FOREMOST IN ALGERIAN MINDS WERE DELAYS IN FPC APPROVAL OF LIQUEFIED NATURAL GAS CONTRACTS AND ATTITUDE OF EXIM BANK ON FINANCING. WITH REGARD TO FPC, CHAIRMAN DUNHAM HAD EXPLAINED THAT QUASI-JUDICIAL ROLE AND FUNCTION OF THE FPC AND THE LEGAL COMPLEXITY OF THE ISSUES RAISED BY GAS CONTRACTS. THE PROCESS WAS INEVITABLY SLOW. FURTHERMORE, THE RESPONSIBILITY WAS NOT TOTALLY THE FPC'S BECAUSE SOME OF THE COMPANIES INVOLVED HAD NOT SUBMITTED COMPLETE DOCUMENTATION. NEVERTHELESS I HOPED IT WOULD BE POSSIBLE TO ACCELERATE THE PROCESS. WITH REGARD TO EXIM, I HAD RECENTLY GIVEN MINISTER OF INDUSTRY AND ENERGY A LIST OF LOANS AND GUARANTEES FOR PURCHASES IN THE FIRST TEN MONTHS OF THIS YEAR TOTALING \$164 MILLION DOLLARS. IT WAS TRUE THAT THE TRANSACTIONS IN QUESTION WERE MODEST ON ALGERIAN SCALE, BUT IN ABSOLUTE TERMS THEY WERE IMPRESSIVE.

4. ON THE POLITICAL SIDE I SUMMARIZED EXCHANGE BETWEEN SENATOR STEVENSON, PRESIDENT BOUMEDIENE AND MYSELF ON STATE OF OUR RELATIONS AND ON MUSTAFA RAIS AND PRIVATE CLAIMS PROBLEMS. HAMDANI MADE NOTE OF MUSTAFA RAIS PROBLEM, INDICATING IT WAS NOT IN HIS BAILIWICK, AND THEN GAVE RATHER DETAILED RESPONSE ON PRIVATE CLAIMS ALONG FAMILIAR LINES THAT GOA COULD NOT PAY THEM. HE THEN SAID THAT BOTH OF THESE ISSUES WERE REALLY VERY MINISCULE COMPARED TO OVERALL CONTEXT OF OUR RELATIONS. HE DID NOT THINK THEY WERE POLITICAL PROBLEMS. THEY WERE THE SORT OF PROBLEMS WE HAD WITH ANY COUNTRY WITH IZPPAINTAINED RELATIONS. THERE WAS ONE POITICAL PROBLEM, HOWEVER, AND THAT WAS AMERICAN SUPPORT FOR MOROCCO ON SAHARA PROBLEM. ALGERIANS HAD HOPED WE WOULD TAKE A POSITION OF NEUTRALITY. EVEN FRENCH WERE NOW BACKING INTO A MORE NEUTRAL POSITION AS A RESULT OF LEFTIST AND RIGHTIST REACTION TO HASSAN VISIT. FRENCH PATRONAT HAD BLAMED GISCARD'S PRO-MOROCCAN POLICY FOR THEIR LOSS OF BUSINESS IN ALGERIA, AND GISCARD WAS UNDER PRESSURE TO TAKE A MORE EVENHANDED POSITION.

5. I SAID THAT ALL WE WERE DOING WAS SELLING ARMS TO THE
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MOROCCANS AND IN FACT WE WERE SELLING LESS THAN THE FRENCH. HAMDANI REPLIED THAT SUPPLY OF AMERICAN ARMS HAD A POLITICAL IMPORTANCE OUT OF ALL PROPORTION TO THE QUANTITY OR QUALITY OF ARMS INVOLVED. HE KNEW HASSAN VERY WELL AND FACT THAT WE SUPPLIED HIM WITH A SINGLE MACHINE GUN WAS EVIDENCE OF MORAL SUPPORT THAT HASSAN WOULD CONSIDER STRENGTHENED HIS HAND GREATLY IN DEALING WITH ALGERIA. WE GAVE HIM FIVE CENTIMETERS OF SUPPORT AND HE WOULD PARLAY IT INTO A METER. HE THEN

SAID IF ONLY I COULD BRING BACK FROM WASHINGTON SOME EVIDENCE OF AMERICAN NEUTRALITY ON THIS PROBLEM IT WOULD MAKE ALL THE DIFFERENCE IN BOUMEDIENE'S OUTLOOK. APART FROM THIS PROBLEM, HOWEVER, HE DID NOT SEE ANY REAL BILATERAL POLITICAL ISSUES BETWEEN US. HE WOULD DESCRIBE OUR RELATIONS AS BEING MEDIUM (MUTAWASSIT). THEY HAD IMPROVED, AND THEY WOULD IMPROVE MORE IF WE COULD OVERCOME SAHARA DIFFICULTY. SECRETARY KISSINGER HAD SPOKEN OF A POLICY OF NATIONAL INDEPENDENCE. IF THERE WAS ANY COUNTRY, ANY PEOPLE, DEVOTED TO NATIONAL INDEPENDENCE IT WAS ALGERIA AND ALGERIANS. THEY DID NOT WANT TO BE ANYONE'S CLIENT. WE MIGHT HAVE BETTER RELATIONS WITH MOROCCO AND TUNIS AT THE MOMENT, BUT THEY WERE BASED ON A CLIENT RELATIONSHIP AND INHERENTLY UNSOUND. THE ALGERIANS WANTED TO OWE US NOTHING. THEY WANTED A RELATIONSHIP BASED ON EQUALITY AND MUTUAL RESPECT, AND THEY WANTED OUR NEUTRALITY IN REGIONAL AFFAIRS.

6. I SAID HE SHOULD REALIZE THAT NEW ALGERIAN AMBASSADOR TO THE UNITED STATES, WHOEVER HE MIGHT BE, WOULD DISCOVER ON ARRIVAL THAT ALGERIA'S REPUTATION IN THE U.S. WAS ONE OF OPPOSITION TO US. ALGERIAN PRESS ATTACKED AMERICA, IT DID NOT ATTACK SOVIET UNION. ALGERIAN DELEGATIONS TO INTERNATIONAL MEETINGS ALWAYS OPPOSED US ON EVERYTHING FROM FAMILY PLANNING TO OPERATIONS OF THE UN. THIS HAD BEEN PARTICULARLY TRUE WHEN BOUTEFLIKA WAS PRESIDENT OF THE GENERAL ASSEMBLY.

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C O N F I D E N T I A L SECTION 2 OF 2 ALGIERS 2818

CINCEUR FOR POLAD

7. HAMDANI SAID HE UNDERSTOOD VERY WELL THE EFFECT OF THE VACUUM IN ALGERIAN REPRESENTATION IN WASHINGTON. HE HAD TOLD PRESIDENT BOUMEDIENE THAT ALGERIANS, BEING UNREPRESENTED, HAD FORFEITED FIELD TO MOROCCO. THE PRESIDENT SAID HE AGREED. WE SHOULD KNOW THAT DELAY IN APPOINTMENT OF AN ALGERIAN AMBASSADOR HAD NOTHING TO DO WITH POLITICS. EVERYONE HAD AGREED THAT THERE SHOULD BE ONE, BUT THEY HAD TO PUT THEIR OWN HOUSE IN ORDER FIRST AND ESTABLISH THE INSTITUTIONS THAT NOW TAKING SHAPE WITH ADOPTION OF CONSTITUTION. HE HOPED THAT NEW AMBASSADOR WOULD BE AMONG THE FIRST TO PRESENT HIS CREDENTIALS TO THE NEW PRESIDENT. I SAID IN THAT CASE THEY SHOULD HURRY UP AND NAME HIM.

8. RETURNING TO THE SAHARA I SAID WE WISHED THE PROBLEM WOULD GO AWAY OURSELVES. WHAT COULD HE TELL ME ABOUT SAUDI MEDIATION EFFORT? HE SAID HE HAD NOT DISCUSSED IT WITH BOUMEDIENE BECAUSE CONFIDENTIAL

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HE HAD BEEN OCCUPIED WITH PROCESS OF DRAFTING AND APPROVING THE CONSTITUTION. HE WAS NOT AU COURANT. HE COULD SAY, HOWEVER, THAT THERE COULD BE NO SOLUTION WITHOUT SELF-DETERMINATION. ALGERIANS HAD NOT SENT A SINGLE SOLDIER INTO SAHARA. THEY WERE ARMING AND HELPING POLISARIO JUST AS THEY HELPED OTHER LIBERATION MOVEMENTS. POLISARIO, NOT ALGERIANS, WERE HOLDING UP MOROCCAN ARMY. WHAT HAD HAPPENED DURING THE PAST YEAR IN TERMS OF CONSOLIDATION OF MOROCCAN POSITION? NOTHING. MOROCCANS WERE STILL UNABLE TO CONTROL POLISARIO AND THIS PROBLEM WOULD NOT END UNLESS SOMETHING WAS DONE ABOUT SELF-DETERMINATION. I NOTED THAT HASSAN HAD SAID HE WOULD BE WILLING HAVE A REFERENDUM UNDER CERTAIN CONDITIONS. HAMDANI SAID THE ALGERIANS HAD CONDITIONS TOO, WHICH WOULD BE WITHDRAWAL OF MOROCCAN ARMY AND ADMINISTRATION TO PERMIT HOLDING OF A FREE PLEBISCITE. IF THE PLEBISCITE WAS IN FAVOR OF MOROCCO, SO BE IT.

8. COMMENT: ABOVE SUMMARIZES HIGHLIGHTS OF A CONVERSATION LASTING WELL OVER AN HOUR IN WHICH I TRIED TO REGISTER WITH HAMDANI PROBLEMS LARGE AND SMALL BETWEEN US AS SEEN FROM OUR OPTIC. IT IS NOT CLEAR TO ME WHETHER HAMDANI GRASPED PSYCHOLOGICAL IMPORTANCE TO US OF ALGERIAN PUBLIC ATTITUDES OR WHETHER HE WOULD BE PREPARED TO ADMIT IT IF HE DID. HIS GENERAL

ATTITUDE WAS UPBEAT EXCEPT FOR HIS REMARKS ON THE SAHARA.
WHILE IT IS OVER-SIMPLIFICATION TO SAY SAHARA IS THE ONLY
POLITICAL ISSUE BETWEEN US, IT IS CERTAINLY THE MAJOR ISSUE
TODAY AS FAR AS ALGERIANS CONCERNED. IT WOULD BE GREAT HELP
TO OUR POSITION HERE WERE SAUDI MEDIATION EFFORT TO SUCCEED.PARKER

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